

BILL ANALYSIS

Senate Research Center
79R1312 QS-F

H.B. 1224
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Natural Resources
5/6/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 78th Legislature, Regular Session, 2003, in an effort to realize water conservation's full potential, created the Water Conservation Implementation Task Force (task force) via enactment of S.B. 1094. The task force was directed to review, evaluate, and recommend optimum levels of water-use efficiency and conservation for Texas and to concentrate on issues related to: best management practices; implementation of conservation strategies contained in regional water plans; a statewide public-awareness program; state funding of incentive programs; goals and targets for per capita water use considering climactic and demographic differences; and evaluation of state oversight and support of conservation.

The task force completed its charges and submitted a report to the 79th Legislature, Regular Session, 2005, on November 1, 2004. One of the task force's recommendations was to require the executive administrator of the Texas Water Development Board (executive administrator) to study a system known as "take-or-pay" contracts and determine if they discourage conservation.

Take-or-pay water contracts are typically long-term contracts between a wholesale water supplier and a retail water supplier or user for provision of water regardless of whether the purchaser will use the entire volume of water. The purchaser gets no discount for using less than the volume specified. Critics of such contracts believe it discourages water conservation.

H.B. 1224 requires the executive administrator to conduct a study on the effects of take-or-pay contracts on water conservation efforts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Requires the executive administrator of the Texas Water Development Board (executive administrator) to conduct a study to determine the effects, if any, of take-or-pay contracts on efforts to conserve water.

(b) Requires the executive administrator, not later than January 1, 2007, to submit a report to the legislature that includes a summary of the findings made during the course of the study and recommendations for legislative action based on those findings.

(c) Provides that this Act expires September 1, 2007.

SECTION 2. Effective date: upon passage or September 1, 2005.